GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1370
ANSWERED ON:11.03.2005
POWER PURCHASE AGREEMENT
Hamza Shri T.K.

Will the Minister of POWER be pleased to state:

(a) whether the Government of Kerala is purchasing power from National Thermal Power Corporation (NTPC) Kayamkulam;

(b) if so, the details thereof along with the per unit cost of power purchased from NTPC projects and the amount paid for the last three years, year-wise;

(c) whether there is any agreement existing at present to the effect that Government of Kerala will purchase certain quantity of power from NTPC for fixed rate;

(d) if so, whether the proposed rate is quite high as compared to hydroelectric power; and

(e) if so, the steps taken/proposed to be taken to reduce the price of power supplied to Kerala?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) : Yes, Sir.

(b) : Both Kerala State Electricity Board (KSEB) and Tamil Nadu Electricity Board (TNEB) have been allocated 50% of capacity each from the Kayamkulam Station. At present, KSEB is trading 150 MW out of its own allocated 180 MW of power from Kayamkulam to TNEB.

The cost of energy from NTPC stations supplying power to KSEB and the amount paid by KSEB for the last three financial years are given in Annex-I.

(c) & (d) : The power supplied from NTPC stations to the SEBs, including Kerala SEB, is as per the power allocation made by Government of India and is billed as per the tariff notified for each station by Central Electricity Regulatory Commission (CERC) from time to time. Two-part tariff is followed for Kayamkulam Station as per Central Electricity Regulatory Commission (CERC) norms, and as such fixed charge and variable charges have to be paid by Kerala. As per CERC regulations, the fixed charge per unit comes to Rs.0.92 /unit at 80% PLF. The variable charges depend on the cost of fuel.

Kerala State Electricity Board (KSEB) is not purchasing electricity from Hydroelectric Stations of other agencies.

(e) : Ministry of Power has taken several initiatives to bring down the cost of Kayamkulam power to Kerala. In the process a meeting was organized between Union Minister of Power, Government of India and Ministers of Power and other officials of all SEBs of Southern Region on 17.5.2002 at Delhi, following which, 180 MW power from Kayamkulam was allocated to TNEB, thereby reducing the fixed charge payable by KSEB by 50%. Further, KSEB has been allocated 110 MW from NTPC stations in Eastern Region for pooling with Kayamkulam Power vide order dated 24.02.2005 to further bring down the pooled rate of power from Kayamkulam to Kerala.

ANNEX-I

ANNEX REFERRED TO IN REPLY TO PART (b) OF UNSTARRED QUESTION NO. 1370 TO BE ANSWERED IN THE LOK SABHA ON 11.03.2005.

Cost of energy from NTPC stations supplying power to Kerala SEB (KSEB) and the amount paid by KSEB for the years 2001- 02, 2002-03 and 2003-04.

Year	Station	Cost of energy to SEBs (p/Kwh)	Amount paid by KSEB during Financial Year (Rs. Crores)#
2003-04	Ramagundam	119.84	406.87
	Farakka	162.51	134.00@
	Kahalgaon	178.87	

	Talcher-I	117.22	
	Talcher-II	52.53	
	Kayamkulam	363.88	1338.46
	Total	-	1931.86
2002-03	Ramagundam	123.75	262.93
	Farakka	167.78	122.10@
	Kahalgaon	189.88	
	Talcher-I	127.91	
	Talcher-II	492.47	
	Kayamkulam	379.69	492.47
	Total	-	877.51
2001-02	Ramagundam	122.34	224.80
	Farakka	168.81	85.47@
	Kahalgaon	204.10	
	Talcher-I	143.78	
	Talcher-II		
	Kayamkulam	382.17	187.29
	Total	-	497.57

Notes

The above payments shown include Bonds received under One Time Settlement Scheme

@ Farakka, Kahalgaon and Talcher-I constitute Eastern Region power and have been shown as one block while considering payments from Kerala State Electricity Board.